EXHIBIT F.2

EXHIBIT F.2

FINANCIAL PROJECTIONS
NOTES TO FINANCIAL PROJECTIONS[1]

Projected pro forma balance sheets and projected financial performance for the Debtors are included in this Exhibit to the Disclosure Statement. This Projected financial information includes a Projected Income Statement, Projected Balance Sheet and a Projected Cash Flow Statement, based on the following: (a) the Debtors' consolidated preliminary unaudited financial statement information for full year 2006; and (b) consolidated projected operating and financial results (the "Projections") for Reorganized Northwest's four year period from 2007 through 2010 (the "Projection Period"). Also attached is a Projected Fresh Start Balance Sheet reflecting, in accordance with the requirements of fresh start reporting, the assumed effect of confirmation and the consummation of the transactions contemplated by the Plan on the Effective Date. The Projections include fresh start reporting assumptions as to the equity value of Reorganized Northwest and certain adjustments to reflect the fair market value of the Debtors' assets and liabilities as of the Effective Date. The Debtors will be required to reflect such estimates or actual balances as of the Effective Date. Such determination will be based upon the fair value of its assets and liabilities as of that date, which could be materially greater or lower than the values assumed in the foregoing estimates. The Projections include Northwest Airlines Corporation and its consolidated subsidiaries as of December 31, 2006, and as such, do not include the consolidation of Mesaba Aviation, Inc. ("Mesaba"), as contemplated by the pending acquisition more fully described in Section III.F.

The Projections assume that the Plan will be confirmed and consummated in accordance with its terms and that there will be no material changes in the current regulatory or aviation environment that will have an unexpected impact on the Debtors' operations. The Projections assume an Effective Date of July 1, 2007, with allowed Claims treated in accordance with the Plan. The estimated recoveries set forth in the Disclosure Statement assume an Effective Date of June 1, 2007, but this would not cause a material difference in either the valuation or the Projections. Expenses incurred as a result of the reorganization cases are assumed to be paid upon the Effective Date of the Plan. If the Debtors do not emerge from chapter 11 by July 1, 2007 additional bankruptcy expenses will be incurred until such time as a Plan is confirmed. These expenses could significantly impact the Debtors' results of operations and cash flows.

The Projections were not prepared with a view towards complying with the guidelines for prospective financial statements published by the American Institute of Certified Public Accountants ("AICPA") and as such, do not and are not required to conform with the AICPA descriptions and recommendations regarding presentation and disclosure of prospective financial information. The Projections have not been compiled, or prepared for examination or review, by the Debtors' independent auditors, who accordingly assume no responsibility for them. The Projections should be read in conjunction with the assumptions, qualifications and footnotes to the Projections set forth herein, the historical consolidated financial information (including the notes and schedules thereto) and the unaudited actual results reported in the monthly operating reports of the Debtors. The Projections were prepared by management in good faith based upon assumptions believed to be reasonable and applied in a manner consistent with past practice. The assumptions regarding the operations of the business leading to and after the Effective Date were prepared in January 2007 and were based, in part, on economic, competitive,

[1] These Notes should be read in conjunction with the Plan, Disclosure Statement and any amendments or supplement thereto in their entirety. Capitalized terms not defined herein shall have the meaning ascribed to them in the Disclosure Statement.

and general business conditions prevailing at the time, as well as management's forecast for the industry. Except for the purposes of the Disclosure Statement, the Debtors do not, as a matter of course, publicly disclose projections as to their future revenues, earnings, or cash flow. Accordingly, the Debtors do not intend to update or otherwise revise the Projections to reflect circumstances existing since their preparation, the occurrence of unanticipated events, or changes in general economic or industry conditions.

While presented with numerical specificity, the Projections are based upon a variety of assumptions and are subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of the Debtors. Consequently, the inclusion of the Projections herein should not be regarded as a guaranty by the Debtors (or any other person) that the Projections will be realized, and actual results may vary materially from those presented below.

Certain of the statements made in the Projections are forward-looking and are based upon information available to the Debtors on the date hereof. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Debtors are hereby identifying important factors that could cause actual results to differ materially from those contained in any forward-looking statement made by or on behalf of the Debtors. Any such statement is qualified by reference to the following cautionary statements. The Debtors believe that the material risks and uncertainties that could affect the outlook of an airline operating under chapter 11 and in a global economy include, among others, the ability of the Debtors to continue as a going concern, the ability of the Debtors to obtain and maintain any necessary financing for operations and other purposes, the ability of the Debtors to maintain adequate liquidity, the Debtors' ability to obtain court approval with respect to motions in the chapter 11 proceedings prosecuted by it from time to time, the ability of the Debtors to develop, confirm and consummate a plan of reorganization with respect to its chapter 11 proceedings, the ability of the Debtors to obtain and maintain normal terms with vendors and service providers, the Debtors' ability to maintain contracts that are critical to its operations, the ability of the Debtors to realize assets and satisfy liabilities without substantial adjustments and/or changes in ownership, the ability of the Debtors to operate pursuant to the terms of its financing facilities (particularly the related financial covenants), the ability of the Debtors to attract, motivate and/or retain key executives and associates, the future level of air travel demand, the Debtors' future passenger traffic and yields, the airline industry pricing environment, increased costs for security, the cost and availability of aviation insurance coverage and war risk coverage, the general economic condition of the United States and other regions of the world, the price and availability of jet fuel, the war in Iraq, the possibility of additional terrorist attacks or the fear of such attacks, concerns about SARS, Avian flu or other influenza or contagious illnesses, labor strikes, work disruptions, labor negotiations both at other carriers and the Debtors, low cost carrier expansion, capacity decisions of other carriers, actions of the U.S. and foreign governments, foreign currency exchange rate fluctuations, and inflation. Additional information with respect to these factors and other events that could cause differences between forward-looking statements and future actual results is contained in Section X.C. of the Disclosure Statement.

A. Projected Consolidated Income Statement Assumptions

1. *Operating Revenues*

(a) *Passenger Revenue:*

Passenger Revenue includes revenue associated with the operation of mainline aircraft by the Debtor. The Debtors' Passenger Revenue for 2006 was $9.2 billion, an increase of 3.7% over 2005. Limited industry capacity growth and fare increases resulting from higher fuel costs were significant contributors to this improvement. Over the Projection Period, Passenger Revenue is forecast to increase

at an average annual rate of 1.3%, or a total of $0.5 billion. Passenger Revenue is projected to be $9.7 billion in 2010.

The Debtors' mainline Available Seat Miles ("ASMs") for 2006 were 85.6 billion and are projected to be 88.5 billion for 2007, an increase of 3.4%. Over the Projection Period, mainline capacity is forecast to grow at an average annual rate of 0.4%, or a total of 1.2 billion ASMs, such that mainline capacity in 2010 is projected to be 86.8 billion ASMs. During the Projection Period, domestic mainline capacity is forecast to decrease at an annual average rate of 2.7%, and mainline international capacity is forecast to increase at annual average rate of 4.3%. The decrease in mainline domestic capacity reflects the Debtors' strategy of rebalancing its domestic fleet to include new large regional jets to be operated by regional affiliates. Internationally, the introduction of long-haul smaller aircraft results in both growth opportunities and resizing of service to existing markets.

Mainline Passenger Revenue per Available Seat Mile ("PRASM") of 10.78¢ for 2006 is forecasted to grow by 0.6% in 2007 and at an average annual rate of 0.9% during the Projection Period. Domestic mainline PRASM is a function of Northwest's historical performance relative to the industry, the relationship of the Gross Domestic Product ("GDP") of the U.S. to domestic industry airline revenues and the Debtors year-over-year changes in capacity compared to industry capacity forecasts. Domestic mainline PRASM for the Debtors is forecasted to maintain its historical premium to the domestic industry.

The Debtors believe the strong correlation between domestic industry PRASM and jet fuel prices will continue, and thus material changes in jet fuel prices will influence overall industry pricing behavior over the Projection Period.

Internationally, PRASM is largely driven by the correlation of the U.S. and foreign point of sale GDP, and historical international airline industry revenues. The Debtors have also forecast the impact of network changes on PRASM at the individual market level as smaller sized aircraft are introduced to expand capacity in both the Pacific and Atlantic international markets.

(b) *Regional Carrier Revenue:*

Regional Carrier Revenue includes lifted ticketed revenue flown on aircraft operated by regional affiliates of the Debtor. Regional affiliates include Pinnacle Airlines, Inc. ("Pinnacle"), Mesaba, and Compass Airlines, Inc. ("Compass"). Driven by the introduction of new large regional jets and the return of certain previously removed small regional jets, regional carrier revenue is projected to grow 9.2% in 2007 and 17.3% on an average annual basis over the Projection Period. Regional affiliate capacity is projected to grow 16.9% on an average annual basis, resulting in a PRASM growth of 0.4% on an average annual basis over the Projection Period. Projected Regional Carrier PRASM is derived in a manner similar to domestic mainline PRASM.

(c) *Cargo Revenue:*

Cargo Revenue includes freight and mail revenues generated by the operation of a dedicated freighter fleet and cargo space on its passenger aircraft. The majority of revenue results from cargo originating in or destined for Asia. Cargo Revenue is forecasted to grow 0.4% during the Projection Period and reflects specific yield and volume by shipping lane, inflationary increases, and change in capacity as operated both in the passenger network and dedicated freighters.

(d) *Other Operating Revenue:*

Other Operating Revenue includes MLT (a vacation wholesaler specializing in travel packages including air transportation, hotel accommodations and car rental), transportation fees (cancellation fees, excess baggage, etc.), regional carrier rent and service-related revenue, and charter revenue. Rent revenue consists of revenue collected from regional carriers (excluding Compass Airlines) for aircraft leased by the Debtors and subleased to Mesaba or Pinnacle, offset by the Debtors' rent expense for those aircraft. Service-related revenue represents revenue received from the regional carriers for certain services provided by the Debtors. The Projections include a reclassification of regional carrier sublease rent revenues and service-related revenues from Other Operating Revenue to Regional Carrier Expense, as well as a reclassification of the Debtors' rent expense for regional aircraft to Aircraft Rent. Other Operating Revenue is projected to grow 2.4% from 2007 to 2010 and generally tracks the growth in Passenger Revenue flown on mainline and regional affiliate aircraft.

2. *Operating Expenses*

(a) *Aircraft Fuel*

Aircraft Fuel for mainline operations is projected to be the Debtors' largest expense (approximately 28%). Fuel expense incurred by regional affiliates for the operation of regional aircraft is included in Regional Carrier Expense. Projected Aircraft Fuel cost is assumed to be $1.92 per gallon for 2007, escalating to $2.07 in 2010. The Debtors' forecast includes projected fuel burn rates by fleet type and accounts for changes in the network over the course of the Projection Period.

High volatility in oil prices experienced over the last 18-24 months has created much less certainty in the use of forward curves for forecasting fuel costs over the Projection Period. The Debtors believe their 2006 PRASM performance and jet fuel prices were correlated. The escalating fuel price in the Projections is consistent with PRASM growth in the Debtors' forecast. The Debtors believe, based on historical data, that material movements in fuel prices would result in changes to industry fares and/or capacity.

The Debtors have taken steps to minimize risk in their largest expense by initiating fuel efficiency improvements, re-fleeting with aircraft with significantly lower fuel burn, and entering into fuel hedging transactions for 2007. The Debtors have hedges in place for 40% of anticipated usage through a combination of fuel derivatives.

(b) *Salaries and related costs*

Salaries, wages and benefits are projected to be the Debtors' second largest expense, representing approximately 20% of annual operating expense during the Projection Period. These expenses are forecast based upon expected levels of operation and include the labor cost savings generated by the consensual collective bargaining agreements ("CBAs") with the Air Line Pilots Association ("ALPA"), the International Association of Machinists and Aerospace Workers ("IAM"), the Aircraft Technical Support Association ("ATSA"), the Transport Workers Union of America ("TWU"), the Northwest Airlines Meteorologists Association ("NAMA") and the Aircraft Mechanics Fraternal Association ("AMFA") implemented in 2005/2006. The Projections also include the employee pay and benefit cuts from management employees and the imposed contract terms associated with its flight attendants represented by the Association of Flight Attendants-Communication Workers of America ("AFA-CWA"). In addition, the Projections include the estimated savings associated with the Debtors' Section 1114 proceedings, pursuant to which the Debtors are seeking reductions in the costs incurred to provide medical benefits to retirees.

The Debtors have several defined benefit pension plans and defined contribution 401(k)-type plans covering substantially all of its employees. Northwest froze future benefit accruals for its defined benefit Pension Plans for Salaried Employees, Pilot Employees, and Contract Employees effective August 31, 2005, January 31, 2006, and September 30, 2006, respectively. Replacement coverage will be provided for these employees through 401(k)-type defined contribution plans, or in the case of IAM represented employees, the IAM National Multi-Employer Plan. Effective October 1, 2006, the Company elected the special funding rules for frozen defined benefit plans allowed under the Pension Protection Act of 2006 ("2006 Pension Act") signed into law on August 17, 2006. The special funding rules for defined benefit plans that are frozen provide for amortization of the unfunded liability over a fixed 17-year period. The unfunded liability is defined as the actuarial liability calculated using an 8.85% interest rate minus the fair market value of plan assets. The financial impact of freezing the defined benefit plans, implementing defined contribution plans, and electing the special funding rules are included in the Projections.

As part of the Debtors' overall labor restructuring, an employee Success Sharing Program ("Program") was implemented. The Program has two components – a profit sharing program and a performance incentive plan. The Projections assume pay-out under this Program of approximately $150 million per year.

(c) *Aircraft Maintenance:*

The Debtors outsource all airframe heavy maintenance, engine overhaul, and nearly all component repair. As a result, a significant portion of total maintenance cost resides in this line item. The remainder is related to mechanic payroll associated with line maintenance which appears in Salaries, Wages and Benefits. Aircraft Maintenance through the Projection Period is specific to actual scheduled airframe checks and engine overhauls at the fleet level, as well as engine contracts reflecting per hour rates. Cost escalators were applied to reflect both inflationary increases and aging of aircraft. Aircraft maintenance is relatively flat during the Projection Period reflecting the introduction of new, more efficient aircraft.

(d) *Landing Fees and Other Rent:*

The Debtors lease various airport and non-airport facilities for which they incur rent expenses and municipal bond servicing costs. The Projections reflect savings resulting from the planned restructuring of, and the Debtors' ongoing efforts to optimize, their use of real estate. Landing fees are incurred as a function of arrivals/departures, aircraft weight, and rates established by the various airports served by Northwest. The Projections anticipate a 2.5% average annual increase in landing fee rates charged by the various airports served by the Debtors.

(e) *Depreciation and Amortization:*

The Projections include depreciation and amortization using the straight-line method over the estimated useful life of the property and equipment, primarily related to flight equipment. The useful life varies between three and 32 years depending on the specific tangible asset. The Debtors also have a variety of definite life intangible assets for which they recognize amortization expense. The amortization expense attributable to these definite life intangibles is also included in the Projections. No amortization expense is recorded with respect to intangible assets with an indefinite life. The amount of depreciation and amortization expense included in the Projections is based upon the estimated fair values of these assets, reflecting the impact of the adoption of fresh start reporting on the Effective Date. The Projections assume that all aircraft deliveries taken by the Debtors during the Projection Period will be owned aircraft, and as such, the impact of the depreciation related to these incremental deliveries is included in the Projections. The adoption of fresh start reporting produces a net increase in these non-cash expenses

over the Projection Period, as a result of increasing the amortization expense associated with new definite life intangible assets, partially offset by a net decrease in the depreciation and amortization expense on property and equipment. Refer to the Fresh Start Reporting discussion below for details on the fresh start reporting adjustments recorded in conjunction with adopting fresh start reporting.

(f) *Aircraft Rent:*

Aircraft Rent reflects the operating expense associated with the Debtors' aircraft financed under operating leases. In addition, the Debtors operate various aircraft under debt financing and capital lease structures. Expenses related to these aircraft are reflected in depreciation and interest expense. The Projections include the reclassification of rent expense for aircraft subleased to Pinnacle and Mesaba by the Debtors from Other Operating Revenue to Aircraft Rent, see discussion in Other Operating Revenue.

(g) *Regional Carrier Expense:*

Northwest has airline service agreements with three regional carriers: Pinnacle, Mesaba, and Compass. The business terms of these agreements involve capacity purchase arrangements. Under these arrangements, Northwest controls the scheduling, pricing, reservations, ticketing and seat inventories for the regional carrier operator. Northwest is entitled to all ticket, cargo and mail revenues associated with these flights. The regional carriers are paid based on operations for certain expenses and receive reimbursement for other expenses. As part of its overall restructuring, the Debtors renegotiated the agreements with its non-consolidated regional operators; these savings are included in the Projections. The Projections also include the reclassification of regional carrier rent and service-related revenue from Other Operating Revenue to Regional Carrier Expense (see discussion in Other Operating Revenue). Regional Carrier Expense does not include operating expenses associated with Compass Airlines. As a wholly-owned subsidiary, expenses for Compass Airlines flow through to the applicable operating expense lines. Regional Carrier Expense growth over the Projection Period is largely a function of capacity growth from CRJ-900s and escalating fuel.

(h) *Other Expenses:*

Other Expenses are primarily comprised of food, purchased services, communications, personnel expenses and supplies. These expenses generally fluctuate with the level of flying and escalate with inflationary measures. The increase of 4.2% in Other Expenses during the Projection Period is the result of the shift to more outsourcing of aircraft, passenger and cargo handling, increased international flying (which drives increased food and air navigation expenses), and anticipated investments in product improvements.

(i) *Interest Expense, net:*

Interest expense through the Projection Period is increased by the addition of debt from new aircraft purchases and reduced by scheduled principal payments on Long-Term Obligations.

(j) *Income Taxes:*

The Debtors assume a statutory tax rate of 36.6% through the Projection Period. The Debtors anticipate approximately $4 billion of net operating loss carryforwards ("NOLs") as of the Effective Date available for use by Reorganized Northwest during the Projection Period. The Projections assume utilization of these NOLs, subject to statutory limitations, significantly reducing Reorganized Northwest's cash burden with respect to the payment of income taxes. GAAP prohibits Reorganized Northwest from recording an asset for these NOLs without demonstrating sufficient recent history of net income to confirm these NOLs can be used. Since these NOLs will exist as of confirmation, American

Institute of Certified Public Accountants Statement of Position 90-7, *Financial Reporting by Entities in Reorganization Under the Bankruptcy Code* ("SOP 90-7"), directs that income tax expense be recorded at the statutory rate by Reorganized Northwest with the taxes not payable in cash recorded as a reduction first to goodwill and other intangible assets until those are exhausted and then as an increase to paid-in capital.

B. Projected Consolidated Balance Sheet Assumptions

1. *Working Capital:*

Working capital is comprised of receivables, inventories (flight, maintenance, fuel, operating supplies), prepaid assets, accounts payable, advanced ticket sales (air traffic liability), and other accrued liabilities. Working capital balances are impacted slightly by the Fresh Start Adjustments below, but largely continue their historical relationships to revenue and expenses associated with the level of flying.

2. *Restricted Cash:*

Among other items, the Projections include all of the Debtors' vendor holdback balances in Restricted Cash.

3. *Net Property and Equipment:*

The Projections include a $0.9 billion reduction in the carrying value of these fixed assets as a result of fresh start reporting, as highlighted in the Projected Fresh Start Balance Sheet. Over the Projection Period, Net Property and Equipment increases from $7.0 billion in 2007 to $8.2 billion in 2010, driven primarily by the acquisition of new aircraft. The Projections assume that all aircraft deliveries taken by the Debtors during the Projection Period will be owned aircraft.

4. *Other Assets:*

Other Assets is comprised of goodwill, intangible assets, computer software, investments in affiliated companies, prepaid expenses and other miscellaneous assets. Included in the Projections are intangible assets of the Debtors, including international route authorities, customer relationships, and certain other intangibles. Refer to the Fresh Start Reporting discussion below for details on the fresh start reporting adjustments related to recording goodwill and intangible assets in conjunction with the adoption of fresh start reporting.

5. *Long-Term Obligations:*

As detailed in section III of the Disclosure Statement, the Debtors entered into a number of post-petition financings and fleet restructurings. The Projections include the savings associated with these restructurings. The Projected Fresh Start Balance sheet outlines the debt anticipated to be discharged as of the Effective Date. On August 21, 2006, the Debtors entered into a $1.225 billion Super Priority Debtor in Possession and Exit Credit and Guarantee Agreement (the "DIP/Exit Facility"). Subject to the Debtors meeting certain conditions, the DIP/Exit Facility can be converted into exit financing. The Projections assume that the Debtors meet the required conditions and convert the DIP/Exit Facility into exit financing.

6. *Deferred Credits and Other Liabilities:*

Deferred credits and other liabilities include the long-term portion of pension and health-care benefits, deferred income taxes, and the Debtors' WorldPerks frequent flyer liabilities. The Projections include certain adjustments as outlined below in the Fresh Start Reporting section.

7. *Common Stockholders' Equity:*

As discussed below, fresh start reporting results in a new reporting entity with no retained earnings or deficit with pre-existing common stock being eliminated. As described in section VII.B Seabury has derived a common Pre-Money Equity Value of the Reorganized Northwest of $7 billion. The Projections include the incremental proceeds of $.75 billion from the Rights Offering and the Purchased Shares, as more fully described in section V.D., which will provide additional liquidity to the Debtor.

C. Projected Consolidated Cash Flow Assumptions

1. *Cash From Operating Activities:*

Cash flow from operating activities is projected to increase from $1.4 billion cash inflow in 2006 to $2.1 billion in 2010. Aggregate cash produced from operating activities during the Projection Period is estimated to be $7.3 billion. Improved cash flow is a result of, among other things, the projected growth in revenue throughout the Projection Period, the $2.4 billion in cost restructuring benefits (salaries and related costs, aircraft ownership, non-labor initiatives) and the introduction of new aircraft.

2. *Cash From Investing Activities:*

Cash flow from investing activities is projected to use $4.4 billion over the Projection Period, primarily reflecting non-aircraft capital expenditures of between $175 million and $300 million per year in 2007 to 2010 to sustain existing infrastructure and support growth and $4.0 billion in aircraft capital expenditures.

3. *Cash Flow From Financing Activities:*

The Projections anticipate raising $500 million from Financing Activities during the Projection Period and include the proceeds associated with the Rights Offering and the Purchased Shares, the financing of new aircraft and the required principal payments related to aircraft and non-aircraft debt.

D. Fresh Start Reporting – Projected Consolidated Balance Sheet Assumptions

Fresh start reporting adjustments have been made to reflect the estimated adjustments necessary to adopt fresh start reporting in accordance with SOP 90-7. Fresh start reporting requires an allocation of the reorganization value of Reorganized Northwest to the entity's assets in conformity with Statement of Financial Accounting Standards No. 141, *Business Combinations*. As such, the Projections reflect the assets and liabilities of the Debtors as of the Effective Date at their estimated fair market value. Fresh start reporting also requires that all liabilities, other than deferred taxes, be stated at the present value of the amounts to be paid determined at the appropriate market interest rates.

The balance sheet adjustments set forth in the Projected Fresh Start Balance Sheet in the columns captioned a) Debt Discharge & Reclassifications, b) New Credit Facility Financing Transactions, c) New Equity Issued, and d) Fresh Start Adjustments reflect the assumed effect of Plan confirmation and consummation, including the settlement of various liabilities, securities issuances, and cash payments as

more thoroughly described in the Plan. Below, the Debtors highlight certain assumptions that were made in the aforementioned columns.

a) Debt Reclassification and Debt Discharge: In the Debt Discharge and Reclassification column, certain of the items included in Liabilities Subject to Compromise are reclassified to the appropriate balance sheet account, and other liabilities are recognized in accordance with the terms of the Plan. At this time, the Debtors expect Liabilities Subject to Compromise to be approximately $16.3 billion immediately before emergence from chapter 11, of which (a) $4.1 billion will be reclassified as Pension liabilities for our defined benefit pension plans and Other Post Retirement Benefits, (b) $2.9 billion will be reclassified as Long-Term Debt, (c) $0.2 billion will be reclassified as Capital Leases, and (d) $0.1 billion will be reclassified as other liabilities. In addition, other miscellaneous deferred credits with no value to Reorganized Northwest will be written-off as a reorganization expense. The remaining projected balance of $8.9 billion in the Liabilities Subject to Compromise will be discharged with the issuance of new Common Stock in the successor Company. As a result of the various Debt Discharge and Reclassification transactions, a projected gain on extinguishment of debt of approximately $2.1 billion will be recorded in the income statement as a non-cash item. This non-cash gain does not represent new resources available to Reorganized Northwest for its use.

b) New Credit Facility Financing Transaction: On August 21, 2006, the Debtors entered into a $1.225 billion Super Priority Debtor in Possession and Exit Credit and Guarantee Agreement (the "DIP/Exit Facility"). Subject to the Debtors meeting certain conditions, the DIP/Exit Facility can be converted into exit financing. The Projections assume that the Debtors meet the required conditions and convert the DIP/Exit Facility into exit financing. Cash raised from the new equity issuance is assumed to retire portions of the original DIP/Exit Facility.

c) New Equity Issued: The Debtors expect to extend the right to purchase Reorganized Northwest's new Common Stock to the Debtors unsecured creditors upon emergence from bankruptcy. Transactions associated with this new equity issuance are reflected in this column.

d) Fresh Start Adjustments: The Projections include fresh start reporting assumptions as to the reorganized equity value of Reorganized Northwest and certain adjustments to reflect the fair market value of the Debtors' assets and liabilities as of the Effective Date. Reorganized Northwest will be required to reflect such estimates or actual balances as of the Effective Date. Such determination will be based upon the fair value of its assets and liabilities as of that date, which could be materially greater or lower than the values assumed in the foregoing estimates. The fresh start reporting adjustments anticipates that the fair value of the Debtors' assets is exceeded by the reorganization value. This excess is recorded as Goodwill. The significant fresh start reporting adjustments, based on current estimates, are reflected in the Projections and are summarized as follows:

(i) *Working Capital:* Reorganized Northwest anticipates that its current assets are reflected at current market value. As a result, no fresh start adjustment has been included in the Projections for these assets. The Projections include additional current frequent flyer liabilities of $0.2 billion (see Other Liabilities section) and a $0.3 billion increase to the Air Traffic Liability ("ATL").

(ii) *Operating Property and Equipment, net:* A fresh start adjustment of approximately $0.9 billion is expected to reduce the values of the fixed assets (mainly aircraft) to their estimated fair market values.

(iii) *Other Assets:* A fresh start adjustment of approximately $4.5 billion is expected to record identified intangible assets. These intangible assets reflect the estimated fair market value of Reorganized Northwest's international route authorities, customer relationships, and certain other

intangible assets. Certain of these assets, such as the international route authorities, are expected to have an indefinite remaining life as they are considered renewable intangible assets and, therefore, will have no associated amortization included in the Projections. The carrying value of these indefinite lived intangible assets will be subject to annual impairment review under Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets* ("SFAS No. 142"). The various remaining intangible assets have estimated useful lives ranging from two years to eight years over which the assets are amortized.

A fresh start adjustment of approximately $8.7 billion is expected to record goodwill. Goodwill represents the excess of the reorganization value over the fair value of Reorganized Northwest's identifiable assets. The carrying value of goodwill assets is not amortized in the Projections; however, the value will be subject to annual impairment review under SFAS No. 142.

(iv) *Deferred Credits and Other Liabilities:* Reorganized Northwest expects to record a deferred tax liability of $1.7 billion upon emergence that will not be shielded by carry-forward NOLs. This liability represents the deferred taxes on the indefinite-lived intangible assets.

No fresh start adjustment is included in the Projections related to the remeasurement of Reorganized Northwest's frozen pension plan. The pension liability included represents our best estimate of the Company's pension liability at the Effective Date.

Reorganized Northwest expects to record an adjustment of $2.1 billion to record the long-term portion of the WorldPerks frequent flyer liability. This adjustment reflects an increase to reflect the fair value of the liability in a deferred revenue model. Currently, the Debtors account for this liability using an incremental cost approach, which contemplates a lower value for each award. The incremental liability recorded reflects a fresh start adjustment due to a Change in Accounting Principle. Adopting a deferred revenue approach requires the application of fair value upon confirmation.

(v) *Total Stockholders' Equity (Deficit):* Adopting fresh start reporting results in a new reporting entity with no retained earnings or deficit. All pre-existing common stock is eliminated and replaced by the new equity structure of Reorganized Northwest as described in the Plan. The fresh start adjustments include the write-off of existing common stock, retained deficit and other comprehensive income.

REORGANIZED NORTHWEST CORPORATION AND CONSOLIDATED SUBSIDIARIES

Projected Income Statement

($ Millions)	2006	2007	2008	2009	2010
Passenger Revenue	9,230	9,609	9,300	9,573	9,715
Regional Carrier Revenue	1,399	1,527	2,276	2,621	2,650
Cargo Revenue	946	875	907	951	962
Other	992	759	769	796	815
Total Operating Revenue	12,568	12,771	13,252	13,942	14,141
Aircraft Fuel and Taxes	3,386	3,226	3,258	3,319	3,360
Salaries, Wages and Benefits	2,662	2,476	2,402	2,503	2,554
Aircraft Maintenance Materials and Repairs	796	791	788	785	801
Selling and Marketing	759	786	809	859	883
Other Rentals and Landing Fees	562	550	553	571	585
Depreciation and Amortization	519	503	611	685	724
Aircraft Rentals	226	379	361	380	395
Regional Carrier Expense	1,406	975	1,207	1,302	1,328
Other	1,511	1,661	1,723	1,788	1,779
Total Operating Expense	11,828	11,348	11,713	12,193	12,409
Operating Income	740	1,423	1,539	1,748	1,733
Interest Expense, net	(555)	(557)	(569)	(614)	(573)
Investment Income	109	114	114	189	226
Other	7	6	11	8	12
Total Other Income (Expense)	(439)	(437)	(444)	(417)	(335)
Income (Loss) Before Income Taxes and Non-Recurring Items	301	986	1,095	1,332	1,398
Pre-Tax Margin w/ Profit Sharing %	*2.4*	*7.7*	*8.3*	*9.6*	*9.9*
Non-Recurring Items	(3,165)	-	-	-	-
Income (Loss) Before Income Taxes	(2,864)	986	1,095	1,332	1,398
Income Tax Expense (Benefit)	(30)	192	401	487	512
Net Income (Loss)	(2,835)	794	694	844	886
Mainline ASMs	85,603	88,546	85,668	86,579	86,823
Consolidated ASMs	93,024	96,422	97,698	100,415	100,659

REORGANIZED NORTHWEST CORPORATION AND CONSOLIDATED SUBSIDIARIES
Projected Statement of Cash Flows

($ Millions)	2006	2007	2008	2009	2010
Cash from Operating Activities					
Net Income	(2,835)	794	694	844	886
Depreciation and Amortization	519	503	611	685	724
Pension / OPEB Contributions Less than Expense	263	106	(5)	(10)	(21)
Working Capital	225	(114)	67	82	31
Tax Expense / (Credit) - Goodwill Deduction	-	192	401	487	512
Other	3,187	(105)	(14)	(14)	(35)
Cash Flow from Operating Activity	1,360	1,375	1,754	2,075	2,097
Cash from Investing Activities					
AC Acquisition	(687)	(1,403)	(1,790)	(417)	(397)
Other Capital Expenditures	(98)	(186)	(255)	(288)	(250)
Sale of Assets	17	150	281	-	-
Change in Restricted Cash	141	127	-	-	-
Other	(2)	-	-	-	-
Cash Flow from Investing Activity	(629)	(1,312)	(1,763)	(705)	(647)
Cash Flow from Financing Activities					
Proceeds - AC Debt Financing	579	1,138	1,357	264	69
Proceeds - AC Sale Leaseback	-	-	-	-	-
Proceeds - Non-AC	4	-	-	-	-
Payments - AC	(652)	(622)	(716)	(336)	(722)
Payments - Non-AC	(1,092)	(56)	(175)	(124)	(60)
DIP/Exit Financing	1,225	(187)	(12)	(12)	(12)
Exit Equity	-	750	-	-	-
Other	-	-	-	-	-
Cash Flow from Financing Activity	65	1,022	454	(209)	(725)
Inc/(Dec) in Unrestricted Cash	795	1,085	444	1,161	724
Beginning Unrestricted Cash	1,263	2,058	3,143	3,587	4,748
Ending Unrestricted Cash	2,058	3,143	3,587	4,748	5,472

REORGANIZED NORTHWEST CORPORATION AND CONSOLIDATED SUBSIDIARIES
Projected Balance Sheet

($ Millions)

As of December 31	2006	2007	2008	2009	2010
ASSETS					
CURRENT ASSETS					
Cash, Cash Equivalents and Unrestricted Short-Term Investments	2,058	3,143	3,587	4,748	5,472
Restricted Cash	749	623	623	623	623
Accounts Receivable	636	636	670	700	709
Inventories (flight, maintenance and operating supplies)	233	253	271	268	271
Prepaid and Other	210	210	216	228	236
Total Current Assets	3,887	4,865	5,367	6,566	7,311
PROPERTY AND EQUIPMENT					
Net Flight Equipment and Net Flight Equipment under Capital Lease	7,621	7,025	8,173	8,180	8,175
Other Property and Equipment, net	571	524	606	676	671
Total Property and Equipment	8,191	7,549	8,779	8,856	8,846
OTHER ASSETS					
Investment in Affiliated Companies	42	42	49	56	64
Intangible Assets	654	5,069	4,998	4,931	4,865
Goodwill	8	8,560	8,160	7,672	7,161
Other	429	998	999	999	999
Total Other Assets	1,132	14,669	14,205	13,659	13,089
TOTAL ASSETS	13,210	27,083	28,351	29,081	29,246
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Air Traffic Liability	1,144	1,444	1,531	1,620	1,644
Air Traffic Liability - Frequent Flyer	413	636	636	636	636
Accrued Compensation and Benefits	301	484	486	503	512
Accounts Payable and Other	1,138	985	1,016	1,031	1,049
Current Maturities of Long-Term Debt and Capital Leases	214	903	472	794	687
Total Current Liabilities	3,209	4,452	4,141	4,584	4,529
LONG-TERM OBLIGATIONS					
Long-Term Debt and Capital Leases	2,675	5,236	6,134	5,616	5,009
DIP/Exit Financing	1,225	1,038	1,026	1,013	1,001
Total Long-Term Obligations	3,900	6,274	7,159	6,629	6,010
DEFERRED CREDITS AND OTHER LIABILITIES					
Deferred Taxes	-	1,716	1,712	1,706	1,692
Pension and OPEB	86	4,333	4,328	4,318	4,297
Long-Term Air Traffic Liability - Frequent Flyer	-	2,113	2,113	2,113	2,113
Other	160	180	180	180	180
Total Deferred Credits and Other Liabilities	246	8,342	8,333	8,317	8,282
LIABILITIES SUBJECT TO COMPROMISE	13,844	-	-	-	-
PREFERRED REDEEMABLE STOCK SUBJECT TO COMPROMISE	277	-	-	-	-
COMMON STOCKHOLDERS' EQUITY (DEFICIT)					
Predecessors' Common Stock and Paid-in Capital	493	-	-	-	-
Retained Earnings (Deficit)	(7,384)	265	968	1,802	2,675
Accumulated OCI	(1,374)	-	-	-	-
Reorganized Northwest Common Stock and Paid-in Capital	-	7,750	7,750	7,750	7,750

Total Common Stockholders' Equity	(8,265)	8,015	8,718	9,552	10,425
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	13,210	27,083	28,351	29,081	29,246

REORGANIZED NORTHWEST CORPORATION AND CONSOLIDATED SUBSIDIARIES
Projected Fresh Start Balance Sheet

($ millions)	(Predecessor) Projected June 30, 2007	Debt Discharge & Reclassification	New Credit Facility Financing Transactions	New Equity Issued	Fresh Start Adjustments	(Successor) Reorganized July 1, 2007
ASSETS						
CURRENT ASSETS						
Cash, Cash Equivalents and Unrestricted Short-Term Investments	2,662	(227)	(175)	750	-	3,010
Restricted Cash	673	-	-	-	-	673
Accounts Receivable	706	-	-	-	-	706
Inventories (flight, maintenance and operating supplies)	245	-	-	-	-	245
Prepaid and Other	211	-	-	-	-	211
Total Current Assets	4,497	(227)	(175)	750	-	4,845
PROPERTY AND EQUIPMENT						
Net Flight Equipment and Net Flight Equipment under Capital Lease	7,714	-	-	-	(926)	6,788
Other Property and Equipment, net	553	-	-	-	(12)	541
Total Property and Equipment	8,267	-	-	-	(938)	7,329
OTHER ASSETS						
Investments in Affiliated Companies	42	-	-	-	-	42
Intangible Assets	654	-	-	-	4,453	5,107
Goodwill	8	-	-	-	8,746	8,754
Other	532	-	-	-	-	532
Total Other Assets	1,236	-	-	-	13,199	14,435
TOTAL ASSETS	14,000	(227)	(175)	750	12,261	26,609
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Air Traffic Liability	1,471	-	-	-	300	1,771
Air Traffic Liability - Frequent Flyer	413	-	-	-	223	636
Accrued Compensation and Benefits	346	89	-	-	-	435
Accounts Payable and Other	1,016	1	-	-	-	1,017
Current Maturities of Long-Term Debt and Capital Leases	-	-	10	-	-	10
Total Current Liabilities	3,246	90	10	-	523	3,869
LONG TERM OBLIGATIONS						
Long-Term Debt and Capital Leases	3,775	3,078	(1,225)	-	-	5,628
Exit Financing	-	-	1,040	-	-	1,040
Total Long-Term Obligations	3,775	3,078	(185)	-	-	6,668
DEFERRED CREDITS AND OTHER LIABILITIES						
Deferred Taxes	-	-	-	-	1,716	1,716
Pension and OPEB	232	4,078	-	-	-	4,310
Long-Term Air Traffic Liability - Frequent Flyer	-	-	-	-	2,113	2,113
Other	140	43	-	-	-	183
Total Deferred Credits and Other Liabilities	372	4,121	-	-	3,829	8,322
LIABILITIES SUBJECT TO COMPROMISE	16,303	(16,303)	-	-	-	-
PREFERRED REDEEMABLE STOCK SUBJECT TO COMPROMISE	277	(277)	-	-	-	-
COMMON STOCKHOLDERS' EQUITY (DEFICIT)						
Predecessors' Common Stock and Paid-in Capital	493	-	-	-	(493)	-
Retained Earnings (Deficit)	(9,092)	2,064	-	-	7,028	-
Accumulated OCI	(1,374)	-	-	-	1,374	-
Reorganized Northwest Common Stock and Paid-in Capital	-	7,000	-	750	-	7,750

REORGANIZED NORTHWEST CORPORATION AND CONSOLIDATED SUBSIDIARIES

Projected Fresh Start Balance Sheet

Total Common Stockholders' Equity (Deficit)	(9,973)	9,064	-	750	7,909	7,750
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	14,000	(227)	(175)	750	12,261	26,609